

# CHAPTER 4

## PROFESSIONAL DEVELOPMENT

### LEARNING OBJECTIVES

Upon completion of this chapter, you should be able to do the following:

1. Describe the procedures to prepare draft inputs for enlisted performance evaluations.
2. Describe the use of performance recordkeeping and its relation to performance evaluations.
3. State the purpose of the petty officer quality control review board.
4. List the incentives for reenlistment, education, and special duty.
5. Identify the sources of information concerning financial management for junior personnel.
6. Describe the different types of money management used by junior Navy personnel.
7. Describe the use of credit by junior Navy personnel.

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Sign on with me. The stature of our homeland is no more than the measure of ourselves. Our job is to keep her free. Our will is to keep the torch of freedom burning for all. To this solemn purpose we call on the young, the brave, the strong, and the free. Heed my call. Come to the sea. Come sail with me.

—John Paul Jones

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The purpose of this chapter is to help you in your professional development. We will begin by discussing your responsibilities in rating the performance of subordinates. We will discuss the Report of Enlisted Personnel Evaluations along with the Navy's performance standards, procedures for rating personnel, performance recordkeeping, and the petty officer quality control review board.

This chapter will tell you how to develop yourself professionally. By now you are well into your enlistment; you might be considering reenlisting, changing your rating, or continuing toward other goals. These concerns and many

more form the basis for your long-range career planning. You should also take interest in career opportunities to improve yourself professionally.

We will discuss career-enhancing programs such as the Selective Conversion and Reenlistment (SCORE) Program, the Selective Training and Reenlistment (STAR) Program, and the Guaranteed Assignment Retention Detailing (GUARD) Program. We will present brief descriptions of incentives for a Navy career such as special programs, special-duty assignments, and reenlistment bonuses.

Finally, we present the sources of information concerning financial management for junior naval personnel. Ask your division chief, your educational services officer (ESO), your command career counselor (CCC), or your command master chief (CM/C) for more information and material on subjects discussed in this chapter.

### PERFORMANCE AND EVALUATIONS

As a P02 you may have to rate your assigned personnel on how well they work as a group and

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1 NAME (Last, First, Middle or Middle Initial)					2 RATE/RATING			3 SSN		
4 <input type="checkbox"/> USN		5 <input type="checkbox"/> USNR		6 <input type="checkbox"/> ACTIVE		7 <input type="checkbox"/> INACTIVE		8 <input type="checkbox"/> TEMAC		
9 <input type="checkbox"/> ACDUTRA					10 MEMBER'S SHIP OR STATION			11 MEMBER'S UIC		
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15 <input type="checkbox"/> Periodic		16 <input type="checkbox"/> Transfer		17 <input type="checkbox"/> Other		18 From		19 To		
20 TYPE OF REPORT		21 Con-		22 Current		23 HEIGHT & WEIGHT/PHYS. QUAL.		24 RESERVE PART		
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34 EVALUATION SECTION					35 NOT OBS		36 4.0		37 3.8	
38 3.6					39 3.4		40 3.2		41 3.0	
42 2.8*					43 2.6*		44 2.0*		45 1.0*	
46 PROFESSIONAL FACTORS					47 27 MILITARY KNOWLEDGE/PERFORMANCE		48		49	
50 28 RATING KNOWLEDGE/PERFORMANCE					51		52		53	
54 PERSONAL TRAITS					55 29 INITIATIVE		56		57	
58 30 RELIABILITY					59		60		61	
62 31 MILITARY BEARING					63		64		65	
66 32 PERSONAL BEHAVIOR					67		68		69	
70 33 HUMAN RELATIONS INCL EQUAL OPPORTUNITY					71		72		73	
74 SELF EXPRESSION					75 34 SPEAKING ABILITY		76		77	
78 35 WRITING ABILITY					79		80		81	
82 LEADERSHIP					83 36 DIRECTING		84		85	
86 37 COUNSELING					87		88		89	
90 38 MANAGEMENT (F-7/8/9 Only)					91		92		93	
94 39 OVERALL EVALUATION					95		96		97	
98 40 SUMMARY (Required for E-4 & Above)					99		100		101	
102 ADVANCEMENT RECOMMENDATION					103 41 <input type="checkbox"/> Recommended		104 42 <input type="checkbox"/> Progress Toward		105 43 <input type="checkbox"/> Not Recommended	
106 44 SIGNATURE OF MEMBER					107		108		109	
110 I acknowledge that I have seen this evaluation report and understand my rights under Article 1110, U.S. Navy Regulations (1973) to submit a statement.					111		112		113	
114 Statement Desired Not Desired (cross out as appropriate)					115		116		117	
118 45 SIGNATURE OF REPORTING SENIOR					119		120		121	
122 46 ADDRESS OF REPORTING SENIOR					123		124		125	
126 47 TYPED NAME AND SIGNATURE OF REGULAR REPORTING SENIOR ON CONCURRENT REPORT					127		128		129	
130 48 DATE FORWARDED					131		132		133	
134 49 DATE FWD (If 47 Used)					135		136		137	

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Figure 4-1.-Enlisted Performance Evaluation Report (front).

how each works within the group. You may simply need to provide an input to the evaluations of your personnel, such as a list of tasks accomplished or short sentences or paragraphs describing tasks accomplished. You may need to submit a "rough" evaluation, including tentative marks in all areas and narratives in appropriate blocks of the evaluation form. No matter what the submission requirements are, you can expect guidance from your leading petty officer or chief.

You rate the performance of personnel for several reasons. For example, you check people to single out the best worker for each job. You also want to recognize those with the potential for accepting increased responsibility, to determine who is eligible and who warrants advancement in rate, and to provide feedback to personnel on the quality of their performance. As a petty officer, you will be responsible for providing your subordinates with fair evaluations of their performance.

To make personnel evaluations as fair as possible, the Navy has set up the Enlisted Performance Evaluation System. This system helps the Navy do the following:

- Determine eligibility of an individual for reenlistment, honorable discharge, and Good Conduct awards
- Permit the commanding officer to influence the advancement opportunities of

outstanding personnel or to identify unsatisfactory performers

- Select personnel for advancement, appointment to commissioned status, assignment to special duties, and for special educational programs

The commanding officer or officer in charge is responsible for the performance evaluations of all assigned personnel; but the immediate supervisor, such as yourself, usually makes the initial input. Review of this initial input is through the chain of command. We prepare final reports on evaluation forms (figs, 4-1 and 4-2) for the signature of the commanding officer or a delegated officer.

## REPORT OF ENLISTED PERFORMANCE EVALUATION

We complete evaluations on all personnel once each year and make special evaluations on certain occasions. Three general types of reports exist: periodic, transfer, and other. Periodic reports are those submitted on the reporting dates set by NAVMILPERSCOMINST 1616.1A. We submit transfer reports upon a member's permanent change of station, including detachment to and from temporary duty. We submit other reports to fulfill a requirement other than a periodic or transfer report. The occurrence of any of the

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50 MEMBER'S LAST NAME, INITIALS	51 SSN	PERIOD OF REPORT 52 From 53 To
54 DUTIES AND RESPONSIBILITIES		
55 SPECIAL ACHIEVEMENTS		
56 EVALUATION COMMENTS		

Figure 4-2.-Enlisted Performance Evaluation Report (back).

following actions may result in submission of another report:

Advancement

Special discharge (to document superior or substandard performance)

Release from active duty

Retirement

Transfer to the Fleet Reserve

To be effective, evaluations must be uniform. For this reason NAVMILPERSCOMINST 1616.1 gives guidelines for making the reports.

We rate personnel on professional factors, personal traits, self-expression, and leadership. (We also rate E-7s, E-8s, and E-9s on management.) We rate personnel within a paygrade against the performance of others in the same paygrade. The evaluation of the several factors should accurately reflect the performance of each Navy member as an individual and that member's worth to the Navy. You should look at each person carefully and mark in the box after each trait that most nearly reflects the person's performance, ability, or attitude. You should consider all facts about the person. Write your report with as little bias as possible. Keep in mind that the evaluation is for an entire period and not for just a few days preceding the evaluation.

## THE NAVY'S STANDARDS OF PERFORMANCE

The Navy has always tried to recruit and keep the best personnel. This policy results in a high caliber of Navy personnel. The evaluation system assumes that each command has a competent crew and that most of the people perform their duties well. Only those that are exceptionally outstanding or unsatisfactory should receive evaluations in the highest or lowest areas.

Each higher paygrade requires a higher standard of performance. We require a higher standard because of the increased experience of the personnel and the decreased number of people against which we rate a person's performance. However, we should rate individuals within each paygrade against the performance of others in the same grade and NOT against that of persons in higher or lower grades. Therefore, you should

take the following factors into consideration when rating your people:

1. All naval personnel are high-caliber personnel and are generally competent in the performance of the duties of their rate.

2. You must assume that all crews have their share of excellent, good, and poor personnel.

3. Personnel in each paygrade must be rated on the basis of their own merit in relation only to the performance of others in the same rate and rating. When a person has an assignment outside the normal duties of his or her own rate or rating, we compare that person with others of the same paygrade performing similar duties.

4. A command should be sure the number of personnel who we rate very high, in the middle, and very low approximate the numbers expected of average crews. This means your superiors may from time to time adjust the evaluations you give your personnel. This should NOT be done randomly. It should be done objectively to make sure the command's evaluations show patterns that ensure the success of the system.

The following section contains specific hints to guide you in rating your subordinates.

## DO'S AND DON'TS OF EVALUATIONS

You must be objective when you assign marks. Friendships are not evaluation factors. Your duty requires you to report performance as accurately as possible.

- Learn to observe your personnel. Know their strong points. Recognize their weaknesses and help them overcome them.
- Compare each person you rate with the rest of those you know in the same paygrade.
- Assign marks you think your people deserve. Don't let rumors and gossip influence you about your personnel.
- Be impartial. Avoid personal likes and dislikes.
- Be factual. Make your comments reflect what your people have actually done.
- Don't let your marks on one trait influence your marks on the other traits. Remember, just because a person is good in one area doesn't mean that person is automatically good in other areas.

- Don't form opinions of your people from isolated incidents. One good job does not make a good worker, and one bad job does not make a bad worker.
- Don't guess when you mark evaluations. Get other people's inputs if necessary.

## EVALUATING PERSONNEL

When preparing an input to evaluations, you should have a clear understanding of the method of rating used by the Navy. The Navy uses numerical values from 1.0 to 4.0 to rate personnel in several groups. The numerical values and their meanings are shown below:

4.0-3.8	First rate
3.6-3.4	Above expectations
3.2-3.0	Satisfactory
2.8-2.6	Below expectations
2.0-1.0	Unsatisfactory

Evaluations consist of four major groups, each consisting of two or more subgroups. The major groups are (1) professional factors, (2) personal traits, (3) self-expression, and (4) leadership. The subgroups are either marked with a numerical value or marked Not Observed. You should rate each subcategory objectively. The following sections describe the traits rated by each subgroup.

### Professional Factors

Military knowledge/performance measures knowledge and performance of military customs; watch-standing duties; responsibilities within the chain of command; and knowledge of, and contribution to, the command's mission.

Rating knowledge/performance measures knowledge and performance of job-related duties, application of technical and professional skills, problem-solving abilities, and ability to accept instruction and direction.

### Personal Traits

Initiative rates the ability to act appropriately, independently, and without specific direction, and the ability to exercise sound judgment. It also measures the ability to set goals and performance standards.

Reliability rates whether we can depend on a person to perform assigned tasks successfully and in a timely manner. It rates whether we can depend on a person to be at the assigned place of duty when needed. It rates the degree of support shown for policies of the command and the Navy. It is also a measure of a person's integrity.

Military bearing rates personal appearance, including physical fitness; the wearing of the uniform; and, when appropriate, the neatness of civilian clothing. It also rates a person's knowledge and practice of military courtesies and the way a person presents himself or herself as a member of the Navy.

Personal behavior assesses a person's behavior and conduct, both on and off duty.

Human relations, including equal opportunity, measures the ability to work successfully with subordinates, peers, and superiors. It measures a person's contributions to the morale of the unit and the support of the Navy's Equal Opportunity Program.

### Self-Expression

Speaking ability rates the ability to use the English language to express oneself orally. It is a measure of the correct use of the language, clarity of speech, and organization and presentation of thoughts.

Writing ability rates the ability to use the English language effectively to write. It measures the quality of written work, the presentation of thoughts, and the correct use of English grammar.

### Leadership

Directing rates leadership skills in the achievement of common goals. The ability to delegate, to gain commitment from others, and to challenge and inspire subordinates while maintaining positive and realistic expectations are all taken into account.

Counseling rates skill in counseling people. We rate the ability to confront, where warranted, and to praise, where justified. We also rate their ability to help subordinates in resolving professional and personal problems. We also rate support of the Navy's retention efforts.

### Overall Evaluation

The overall evaluation mark is an assessment of a person's overall value to the Navy. The mark is a judgment by the reporting senior.

## **RECORDKEEPING AND EVALUATING**

Good supervisors use a system for recording performance on a continuous basis. If you are a supervisor, you should consistently use some type of system for logging good and poor performance or conduct. Such a system will be a help to you in meeting a variety of responsibilities, including writing performance evaluations.

Another benefit of recordkeeping is that it helps you notice when a subordinate's actions or behavior patterns change, either negatively or positively. You can then intervene in the early stages of personal problems to reduce their negative effects by providing help.

The methods for recordkeeping vary with each supervisor, but you should include the following basic elements if your records are to be useful:

1. Subordinate's name
2. Date of the observation
3. Behavior observed
4. Action taken or planned

When you maintain personal records on your personnel, you should take several actions to be sure of compliance with the Federal Privacy Act of 1974 and the Freedom of Information Act. First you must inform subordinates that you are maintaining a log on their performance and conduct. You should explain that this is a means of helping you carry out your responsibilities and develop their required evaluations. You should also inform subordinates that they have the following rights:

- They may examine and make copies of all entries and notations that apply to them.
- They may review the log with you and discuss any differences of opinion they may have with your entries.
- They may request an amendment or a change, by following set procedures, if we cannot settle differences. You may refer them to the legal officer for aid in following the correct procedures.

## **PETTY OFFICER QUALITY CONTROL REVIEW BOARD**

The Navy established the petty officer quality control review board to help develop and maintain a highly professional enlisted career force.

This board, in the Bureau of Naval Personnel (BUPERS), automatically reviews the records of petty officers E-5 and above whose performance is not in keeping with the traditionally high standards of the Navy.

## **GENERAL CATEGORIES OF PERFORMANCE**

The following general categories of performance are considered by the board in their evaluations and recommendations:

- Financial responsibility
- Sobriety
- Leadership
- Military/personal conduct
- Performance of duty
- Willful racism, sexism, or acts that deny equal opportunity to others
- Appearance and compliance with Navy fitness standards

## **FUNCTION OF THE REVIEW BOARD**

If the board determines that the performance of a petty officer is below standard in one of the above groups, it will take one or more of the following actions:

1. Advise the petty officer that it would be to his or her personal benefit to request either a transfer to the Fleet Reserve or the U.S. Navy retired list or Naval Reserve retired list.
2. Process the petty officer for administrative separation.
3. Issue a letter of warning into the permanent service record of the petty officer (the member would then require approval from the Chief of Naval Personnel before reenlistment or extension of current service or before other appropriate administrative action).
4. Reduce the petty officer to the next inferior paygrade.

The function of the board is to assure that there is recognition throughout the Navy of the high professional standards and competence of

career petty officers. The board also wants to make sure the peers of these petty officers have the same requirements.

The U.S. Navy supports its members personally and professionally. If a member becomes ill, the Navy provides care; if the member becomes disabled, the Navy provides help through various programs. If you seek improved professional and military skills through higher studies, the Navy will support your ambition.

## **INCENTIVE EDUCATIONAL SPECIAL-DUTY PROGRAMS**

As we go along in this chapter, we will be discussing the following topics:

- Planning your career
- Career opportunities
- Incentive programs
- Educational programs
- Special-duty programs

## **PLANNING YOUR CAREER**

Many of us spend the greater part of our lives doing something that does not bring out our best qualities or give us the greatest satisfaction. We often start our careers in jobs we think we will enjoy. We then discover that job isn't what we really want. For example, a boy builds model airplanes as a hobby. When the boy becomes an adult, his interest in airplanes influences him to become a pilot. To his shock, he may then discover that his heart isn't in machines but in the management of people. Another example would be a woman who volunteers as a Mess Management Specialist, only because she did that type of work in her father's restaurant. However, her main interest in life has been reading and writing; therefore, she wishes she had sought a naval career as a Journalist.

These examples show that finding the right type of work is mainly a problem of searching, self-examination, personal decision, and opportunity. Finding the most suitable job is not a matter of How do I look to someone else? It is a matter of What do I know about myself? What kind of work do I like best? What kind of work can I do with the greatest ease? What

vocational study would I like to pursue because it provides me satisfaction? What talent did I have as a child but put aside because of the pressures of current responsibilities? What job was appealing, but I lacked either the chance or the courage to try my hand at it? These are clues to the types of jobs you should seek.

Unlike your civilian counterpart, your daily routine changes periodically. The variety of assignments in the Navy are ever-expanding. You may not like a job, but if you perform it faithfully, next time you may get an assignment you like better.

After enlisting in the Navy, your duty is to strive to better yourself, move ahead, grow more knowledgeable, become better qualified. You can request duty that you believe will further your advancement. If you work hard, do a good job, and are ambitious, your seniors will try to approve your request. In few other organizations are seniors so ready to encourage a willing junior.

This opportunity to change jobs is an advantage belonging to all sailors in the U.S. Navy. Civilians regard a person who moves from job to job as an unstable drifter. In the Navy, the ability to adjust from job to job and duty assignment to duty assignment is a desirable trait. Your ability to adjust to new situations provides you with greater all-around qualifications and varied experiences.

## **CAREER OPPORTUNITIES**

To help you develop professionally, the Navy provides you with many opportunities. Some of them are shown below:

- Incentive programs
- Educational programs
- Special-duty assignments, programs, and projects
- Commissioned officer programs
- Naval Reserve programs

### **Incentive Programs**

Why does a person reenlist in the Navy? Chances are if you asked 10 career Navy people this question, you'd get 10 different answers. You'd get similar results if you asked 10 civilians why they stayed in a career with a particular company.

Many incentives, tangible and intangible, attract a person to a particular career. The job is important. A job becomes enjoyable because it's in line with a person's interests and abilities. The opportunities for advancement may be good. Perhaps the person can get more education and, later, a better job through the organization.

Then there are other personal considerations: job security, paid vacation, travel, family protection plans, and retirement. Many other factors enter a person's decision to reenlist, including loyalty. Usually, a person chooses a career based on a combination of these factors. The same is true for those who choose a career in the Navy. A decision to reenlist is a personal choice.

The Navy offers various incentive programs to its members; some have the aim of reenlisting people and some to provide a means to satisfy the needs of both the Navy and its members. An incentive program meets the member's personal needs and generates the member's interest in continuing a naval career. You can find general information about incentive programs in the *Enlisted Transfer Manual*, NAVPERS 15905D, and the *Retention Team Manual*, NAVPERS 15878. For more information you should talk with your division officer, leading petty officer, or command career counselor.

**SELECTIVE REENLISTMENT BONUS.** — The Selective Reenlistment Bonus (SRB) is a retention incentive. Members serving in certain selected ratings/NECs who reenlist or extend their enlistments for a given number of years receive this pay. The bonus works to increase the number of reenlistments in ratings that are undermanned.

**SELECTIVE CONVERSION AND REENLISTMENT PROGRAM.** —The Selective Conversion and Reenlistment (SCORE) Program offers career incentives to members who reenlist for conversion to critically undermanned ratings and assignment to an appropriate class A or C school.

**SELECTIVE TRAINING AND REENLISTMENT PROGRAM.** —The Selective Training and Reenlistment (STAR) Program offers career designation, career incentives, and school assignments to first-term members who reenlist.

**GUARANTEED ASSIGNMENT RETENTION DETAILING PROGRAM.** —The Guaranteed Assignment Retention Detailing (GUARD III) Program provides guaranteed assignments

during a career. GUARD III encourages direct communication between eligible personnel and their detailers. The type of guarantee depends upon billet availability in the general area requested (for example, coastal, home port, and overseas areas).

**PERSONNEL EXCHANGE PROGRAM.** — The Navy is continuously negotiating with allied countries for the exchange of some enlisted personnel. The aims of the Personnel Exchange Program (PEP) are as follows:

- To get increased opportunity for interesting foreign duty
- To give exchange personnel actual military duties and responsibilities as opposed to functioning strictly as instructors, advisors, liaison personnel, or observers
- To make exchange personnel an integrated part of the host countries so that a member can get a better understanding and appreciation of our allies
- To allow the host nation to become better acquainted with the United States through personal contacts.

**LATERAL CONVERSION PROGRAM.** — The Navy would like members to serve in the rating for which they have the most aptitude and interest. The Navy allows changes in rating if they do not cause undesirable effects on the overall personnel distribution in ratings and on the advancement opportunity of career petty officers.

**ASSIGNMENT TO SCHOOL.** —An additional incentive for reenlistments is the possible assignment of a Navy member to a specific school.

Basis of consideration of requests is on the following factors:

- Applicability of training
- Sea/shore rotation
- Paygrade versus skill requirement
- Fleet Reserve eligibility

Assignment to a school normally occurs at a member's projected rotation date (PRD).



**NAVY NUCLEAR PROPULSION PROGRAM.** —This program provides training for qualified volunteers from selected ratings in supervising, operating, and maintaining nuclear propulsion plants aboard submarines and surface ships. Nuclear qualification also makes other career incentives available, such as special pay and reenlistment bonuses.

**STRATEGIC WEAPONS SYSTEM TRAINING PROGRAM.** —The Strategic Weapons System (SWS) Program provides highly trained personnel for Poseidon and Trident submarines. Applicants can use the Lateral Conversion or SCORE Program to convert to one of the SWS ratings (ET, FTB, or MT) if necessary.

### **Educational Programs**

Education is the key to self-improvement and a better understanding of the world in which we live. Through new learning experiences, you can come to a greater understanding of your place in our world. In today's Navy, educational opportunities are plentiful, and you should take full advantage of those opportunities. In the following paragraphs we will discuss some of the educational opportunities available to you.

**NAVY CAMPUS.** —Navy Campus coordinates off-duty education for Navy personnel and integrates it with on-duty Navy programs. Navy Campus includes all educational activities, from basic education skills to graduate study. The purpose of Navy Campus is to provide Navy personnel with opportunities to achieve their career and educational goals.

**On-Base Navy Campus Program.** —This program includes a wide range of courses and programs, from high school completion through college degree. Civilian colleges and universities on board Navy installations offer these courses.

**Navy Campus Certificate/Degree Program.** —This program provides Navy members with an opportunity to collect college credits through various sources and apply them toward a degree from an accredited college or university. Personnel can earn both 2- and 4-year degrees through this program. Participating colleges waive state residency requirements. These colleges also accept up to 75 percent of degree credits through college-approved nontraditional means; for example, you may receive credit for examinations taken through

Defense Activity for Non-traditional Education Support (DANTES) and for military training or experience.

**Tuition Assistance Program.** —The purpose of the Navy's Tuition Assistance (TA) Program is to provide financial assistance to eligible personnel who attend educational institutions on a voluntary, off-duty basis. Sailors may use TA for high school completion, vocational and technical training, and college courses leading toward undergraduate and graduate degrees. Under certain conditions, members may also use TA for correspondence courses.

**Program for Afloat College Education.** —Program for Afloat College Education (PACE) is a part of Navy Campus. Under this program, accredited colleges or universities offer undergraduate courses to you aboard ship. Courses taught under PACE have full funding by the Navy; however, students have a requirement to purchase necessary books.

**Instructor Services Program.** —Commanding officers may organize classes for naval personnel on almost any subject. Classes may help students prepare for college-level courses, learn a foreign language, gain vocational skills, or achieve any number of other goals. Professional instructors conduct these classes. Students pay no tuition for these classes and earn no academic credit.

**Basic Skills Program.** —This fully funded on-duty program is available at most Navy bases and on board some surface ships. Courses are to improve individual competency in reading, mathematics, English, and writing skills. It also provides either on-base or off-base classes needed to earn a high school diploma or an equivalency certificate.

**National Apprentice Program.** —Navy people working in certain skill areas may be eligible for journeyman status in a nationally recognized occupation. Under an agreement with the U.S. Department of Labor, enlisted persons in certain ratings can register in and complete an apprenticeship in related civilian trades. The program's major purpose is to develop highly skilled Navy-oriented journeymen who will continue to use their technical skills and knowledge in the Navy.

**Servicemembers Opportunity College, Navy.** —Servicemembers Opportunity College,

Navy (SOCNAV) is a special associate degree program that enables active-duty personnel to earn associate degrees in selected fields of study associated with their ratings or military jobs. To date, 25 accredited colleges have combined to form networks in 6 circular areas: data processing, management science, flexible/general studies, communications electronics, digital electronics, and law enforcement. The participating colleges agree to the transfer of credit from other member institutions.

**DEFENSE ACTIVITY FOR NON-TRADITIONAL EDUCATION SUPPORT.** —The functions of Defense Activity for Non-Traditional Education Support (DANTES) are twofold. First, DANTES makes available to military personnel several examinations for validating nontraditional learning for which they grant college credit. Examinations available include the College Level Examination Program (CLEP), general and subject examinations, and DANTES Subject Standardized Tests (DSSTs). In addition to validation examinations, college admission tests are available to service members. Tests available include the American College Testing (ACT) Assessment Program and the Scholastic Aptitude Test (SAT).

DANTES also makes available several examinations from various professional organizations to certify competency in a given professional/occupational area. DANTES also publishes a catalog of correspondence (independent study) courses, available from accredited colleges and universities. These are courses with approval for tuition assistance reimbursement.

**ENLISTED EDUCATION ADVANCEMENT PROGRAM.** —The Enlisted Education Advancement Program (EEAP) enables selected active-duty petty officers to attend participating junior or community colleges full time for up to 24 months to get associate degrees in rating-related or management-related fields. The purpose of EEAP is to improve qualifications for advancement, improve general supervisory abilities, and prepare members to assume leadership positions of increased responsibility.

### **Special-Duty Programs**

To provide for the ever-increasing complexity of the Navy's mission, the Navy has set up special programs to perform tasks not identified by ratings. In this section, you can learn about some

very interesting programs the Navy offers. Information on the specific requirements and qualifications for special assignments, programs, and projects is in the *Enlisted Transfer Manual*, NAVPERS 15905. Your career counselor can give you further details on these subjects.

**HUMAN RESOURCE MANAGEMENT PROGRAMS.** —Several separate programs and associated duty assignments fall under this group. These career-enhancing and highly rewarding assignments include Equal Opportunity Program Specialist, NAVLEAD Instructor, and Drug and Alcohol Abuse Program Advisor.

**INSTRUCTOR DUTY.** —Instructor duty is an important and demanding job in the Navy, requiring the highest caliber of leadership, maturity, and devotion to the Navy and its mission. Petty officers selected for duty as instructors should be mature, emotionally stable people who show aptitude for such an assignment. Only top-quality, highly motivated people receive assignments to this challenging duty.

**MILITARY ASSISTANCE ADVISORY GROUPS/MISSIONS.** —Assignment in the Military Assistance Advisory Groups (MAAGS)/Missions Program affords you the opportunity to travel and work in parts of the world not normally frequented by U.S. Navy ships. Personnel assigned to billets with mandatory foreign language qualifications are preassigned to a course of instruction at the Defense Language Institute (DLI).

**OVERSEAS DUTY.** —Overseas duty is military duty performed while assigned to a military installation or activity permanently based outside the continental United States (CONUS). Being overseas can be an exciting adventure, and you will be a visible representative of the United States.

**RECRUITING.** —Experience has shown that only top-performing petty officers with motivation to "sell" the Navy to others can succeed in the unique and demanding role of a recruiter. Recruiters are frequently on independent duty and are responsible for achieving demanding recruiting goals. They must be knowledgeable about recruiting programs and be able to give this information to applicants. Recruiters and recruiting support personnel develop extensive community relations and are frequently the only

image of the Navy a community has. They are frequently in areas remote from military installations and associated support facilities. Their success requires hard work, exceptional dedication to duty, and a strong belief in the advantages of a Navy career.

**SUBMARINES.** —Initial submarine training is a basic course of instruction. The purpose of the school is to complete required screening of personnel for duty in the submarine service and provide basic training to help personnel successfully complete the change to submarine duty. Enlisted personnel who volunteer for submarine duty normally receive assignments to this school before reporting to their first submarine.

While high standards of personal conduct and reliability are requirements of all members of the naval service, they are especially important for personnel assigned to submarines.

**NAVY DIVER, EXPLOSIVE ORDNANCE DISPOSAL, AND SPECIAL WARFARE.** —The Navy Diver (DV), Explosive Ordnance Disposal (EOD), and Special Warfare (Sea-Air-Land [SEAL]) Programs make up the Navy's elite diving force.

Navy fleet divers use scuba and surface-supplied diving equipment and enhanced deep-diving systems to perform underwater salvage maintenance and repair operations. EOD divers are highly skilled technicians trained to identify and dispose of all types of ordnance. SEAL divers receive training in conducting combat operations.

Although the training for each diver program is physically and mentally demanding, successful completion of entry-level training provides ample rewards for those who accept the challenge. Graduates will be members of a professionally demanding community, entitled to special-duty assignment pay, hazardous-duty incentive pay (for EOD and SEAL personnel), and entitlement to SRB multiples.

**BUPERS CONTROLLED CAREER COUNSELING PROGRAM.** —The BUPERS Controlled Career Counseling Program provides for the assignment of full-time career counselors from ratings other than Navy Counselor (NC). Personnel receive assignments to activities that have no authorized NC billet or to where an NC is not available for assignment.

## **FINANCIAL MANAGEMENT INFORMATION**

As a petty officer second class, you must set the example for your subordinates. This example extends into your personal life as well as your professional conduct.

Setting the standard in matters of personal financial responsibility is particularly important. The policy of the Department of the Navy is "to promote habits of thrift and encourage . . . conduct of financial affairs in such a manner as to reflect credit upon the naval service."

Your commanding officer does not have the authority to act as an agent or collector. The enforcement of the private debts of the service member is a matter for civil authorities.

Before it gets to this point, petty officers must provide the necessary financial information to their troops to avoid any financial problems.

Many commands provide financial counselors to advise sailors in financial difficulties, or you can provide this financial management information.

Family Service Centers and local legal assistance officers also provide counseling. For further financial management information, section 62 of the *Naval Military Personnel Manual* offers some good advice to all paygrades.

## **PERSONNEL FINANCIAL MANAGEMENT**

During your naval career, you will have many occasions to counsel and advise your people on their personal financial management, responsibilities, and debts.

You can expect a continuation, and possibly an increase, in the number of young service members needing your help in managing their financial affairs. The consumer debt—the amount Americans borrow for large purchases such as cars, appliances, and furniture—as well as revolving credit continues spiraling upward. Repayment of these consumer loans and home loans slices more than a quarter from every dollar a wage earner takes home.

Navy personnel are no exception. In fact, a young service member's take-home pay may be less than the national average. You can help your people learn to have foresight about finances that will help them balance their income, savings, and spending.

Navy men and women should adopt a system of accounting to keep their financial matters straight and their affairs solvent. Navy members rarely remain in one location or tied to one group of personnel who know their credit, abilities, past accomplishments, and general reputation. The nature of the Navy requires personnel to reestablish these attributes every time they transfer.

The following section on personal financial management gives you information you will need to help your people keep their financial affairs straight. It will acquaint or reacquaint you with certain factual information. This information will help you when counseling, advising, and training your people on financial affairs. Some of the information may be elementary to you. However, because many young Navy members often do not grasp these facts, they get into financial trouble. If you are thoroughly familiar with these basics, you will be in a better position to help young members with their financial management.

Keep in mind also, Navy Family Service Centers offer confidential financial guidance to Navy personnel. Encourage your people in need of personal financial counseling to use the counseling service provided by the centers. Direct those needing legal or other advice to a legal assistance officer or some other counselor who can provide the needed advice.

### **Money Management**

Navy personnel usually manage their money in one or more of the following four ways; each has advantages and disadvantages:

1. Checking account
2. Savings account
3. Cash
4. Allotments

**CHECKING ACCOUNT.** —A checking account usually serves as the safest and the most convenient and efficient way for people to keep track of their money. A checking account is a financial arrangement with a bank, savings and loan association, or credit union for safeguarding money.

As persons need money, they draw or transfer funds by writing a check. Persons can issue a check payable to another person or to a company to pay bills or to get cash. This easy-to-maintain method conveniently helps people manage their financial affairs. Navy members on shore duty

may authorize the Navy to deposit their paychecks into a savings or checking account via the Direct Deposit System (DDS). If assigned to sea duty, they can use the allotment system to have their pay deposited in a checking or savings account.

The following are some of the advantages of the DDS and allotments:

- Personnel don't have to wait in long payroll lines to cash a paycheck.
- Pay goes directly to a set account even when personnel are on leave or temporary duty.
- Personnel can write checks on payday with the assurance that their pay is in the bank.
- Personnel have access to pay when away from their home stations by the direct deposit of their paycheck into a checking account.
- Personnel can mail checks to pay bills. Personnel do not have to buy money orders.
- In case of a lost or stolen wallet, persons do not lose their entire pay. The balance remains safely in an account.
- Canceled checks serve as receipts and records of paid bills.
- The proper use of a checking account shows a person's financial reliability and serves as a good reference for creditors.

**SAVINGS ACCOUNT.** —One way for personnel to manage their money is to have a savings account. Savings accounts draw interest, while checking accounts sometimes do not. A savings account is an excellent way to gather interest and to keep from spending money.

**CASH.** —Once personnel withdraw money from a checking or savings account or cash their paychecks, they operate on a cash basis. Operating on a cash basis offers the advantage of ready money but also the chance of theft or loss of cash.

Operating on a cash basis results in low costs, but it has some disadvantages. The use of cash requires personnel to stand in lines to cash paychecks and to buy money orders to pay bills.

When paying bills with cash, people have no systematic method of payments. In addition, they must use receipts as their only record of payment. (A checking account provides a canceled check as a receipt of payment. Also, checks are available with carbon duplicates of the original check.)

Working on a cash basis can also create problems if personnel are on leave or temporary duty. In such a case, members must make arrangements to forward their paychecks. This often results in delays in the receipt of a check.

**ALLOTMENTS.** —Allotments provide a good method for Navy members to handle their financial affairs. The following paragraphs describe voluntary and involuntary allotments.

**Voluntary Allotments.** —Voluntary allotments are requests by personnel to make a certain amount of their paycheck payable to someone else for the following reasons:

- Purchase of U.S. savings bonds
- Payment of premiums for life insurance
- Repayment of loans to the Navy Relief Society
- Allotments to dependents and relatives
- Voluntary liquidation of debts to the United States
- Payment to a banking institution or association for credit to the account of the allottee
- Repayment of loans for the purchase of a home or mobile home used as a residence by the allottee
- Payment of pledges for the Combined Federal Campaigns

**Involuntary Allotments.** —Involuntary allotments from a Navy member's pay are usually made when the person shows financial irresponsibility. Involuntary allotments are usually garnishments of a member's pay.

**BUDGETING.** —Preparing and using a budget is the key to successful money management. A budget is a plan to spend money or a plan of money management. Many Navy members have erroneous images of the meaning of a budget. They often associate budgets with detailed bookkeeping, stacks of papers, ledgers, and so forth. Many young members lack the discipline to follow a budget and dislike the chore of budgeting. If you can convince them to follow a

budget, they are the winners. They will have a record of their income versus expenses, which will help them better manage their financial affairs. This provides them with the security of knowing their financial status rather than the insecurity of not being sure.

To give your people the desire to budget their money, put budgeting into simple terms for them. Explain how a budget serves as a simple tool for the businesslike management of their finances. Explain that budgeting provides an advance general plan for organized spending and savings instead of a record of payment set down afterward.

Budgeting involves the spouse as well as the wage earner. For married couples, handling money matters should be a joint effort. With two-income families, money management is a different ball game. The "yours-mine-ours" approach usually arises, requiring definite understandings. Certain inherent expenses become greater when both husband and wife earn wages. Couples also need to have an understanding as to what expenses they will pay from what funds. A written budget, properly prepared and followed, helps couples work out these problems.

In counseling and advising your people on financial management, you may have to help them prepare their budgets. In budget preparation, you determine income and expenses; examine spending habits; and see what, if anything, you need to correct or improve. If personnel have financial problems, you help them find ways to improve their spending habits. To do this, you need to familiarize them with the following terms used in financial management:

**Gross income.** The total amount of salary before any deductions

**Deductions.** The amount of money taken from pay for income tax, social security, and other reasons

**Allotments.** Those sums of money deducted from gross income to pay debts such as insurance premiums, debts due the United States, and family support

**Net Income.** The total amount paid a member after all deductions and allotments are paid, often called take-home pay

**Fixed expenses.** Expenses that are the same each month

**Flexible expenses.** Expenses that change from month to month; sometimes called variable expenses

Fixed expenses include rent and mortgage payments and time payments for expenses such as autos, furniture, and insurance. The difference between fixed expenses and net income is discretionary income. This is the income available for planning purposes, which personnel can apply to variable or flexible expenses. These expenses include items such as savings, food, entertainment, clothes, and gifts.

When preparing a budget, personnel first need to consider savings. Planning first for savings is important. When personnel plan to pay expenses first, they usually find they have no money left for savings.

Everyone needs a savings program for unforeseen expenses in the future. In addition, using a systematic, planned savings program will help personnel achieve set goals. In helping your people determine how much to save, recommend they save a realistic percentage of their discretionary income. This percentage could be as little as 5 to 10 percent or as high as 20 percent of the discretionary income.

After savings comes fixed expenses, followed by variable expenses. The U.S. Department of Labor suggests these percentages of take-home pay for budget preparation:

<u>FIXED EXPENSES</u>		<u>VARIABLE EXPENSES</u>	
Housing	25%	Food	23%
Transportation	9%	Clothing	11%
		Gifts and contributions	5 %
		Miscellaneous	5%
		Savings and unforeseen expenses	22%

These percentages are approximate and will vary from area to area and person to person.

To prepare a personal budget, personnel should keep close track of their income, expenses, and savings for several months. This information will help them understand their spending habits. It will also help them determine average nonfixed expenses. Understanding their spending habits puts personnel in a position not only to budget their income, but also to correct undesirable spending habits.

Plans for spending extend to many areas and vary according to the person's status and requirements. The basics of spending are to spend money wisely and in as small amounts as possible.

## Use of Credit

Credit has its base largely on trust. The average person in the Navy is trustworthy and expects to receive a fair deal in business and financial dealings. Conversely, the way personnel handle their private financial affairs provides a reliable sign of their general character and trustworthiness.

When we speak of credit, we usually think of time payment purchases or charge accounts. Actually credit consists of a much broader scope.

The entire country runs on credit, including industries; banks; and local, state, and federal governments. In fact, if credit were to stop suddenly, the result would be catastrophic. For example, almost no one would be able to buy a home, an automobile, furniture, or a television or stereo set. Without these sales, unemployment would skyrocket. These salaries, not available for the retail market, would in turn adversely affect the sale of other goods. The effect would continue from the highest to the lowest level, and economic chaos would result.

**USE OF CREDIT BY NAVY PERSONNEL.** —The Navy expects all its members to discharge their financial responsibilities in a timely manner. The Navy expects its members to strive to avoid any discredit upon themselves or the naval service. A good knowledge of credit will allow them to better handle their financial affairs and often save money.

Navy personnel have special problems not faced by the public in borrowing money. If Navy personnel are to use credit wisely, they need to know the ABCs of credit. They especially need to know how to avoid some of the problems young Navy men and women often have.

**PRINCIPLES OF CREDIT.** —Credit literally means buy now, pay later. The system permits us to purchase goods as we need them, but pay for them over a certain period. Credit means you receive a loan of money, and you always pay extra when you borrow money. Credit, if you use it wisely, ensures a reasonable standard of living. However, you cannot substitute credit for sound financial planning and a systematic savings plan. Additionally, improper use of credit can create a financial nightmare that can adversely affect your job, family life, and mental and physical health.

Credit plays an important part in the financial world. Navy personnel should use it wisely and carefully, heeding the following principles:

- Use credit for those necessary goods that you cannot afford with one or two paychecks.
- Use credit mainly for goods that have a useful life longer than the time needed to pay for them.
- Make as large a down payment as possible. This reduces the total amount spent because of interest charges.
- Know what your income will be. Set a spending limit equal to the smallest paycheck received to be sure of having enough money to meet the payment when due.
- Don't buy another item on credit just because you have finished paying for one.
- Avoid the temptation to use credit for splurging. For example, buying too much on credit at Christmas becomes a shock in January when you receive the bills.
- Check with consumer affairs offices about local credit regulations. For example, some states allow up to 3 days to change your mind on a credit purchase or a loan received.

You should remind your people that, when using credit, they should remember the following basic principles:

- Credit costs money, but many credit plans exist. Some plans are much less expensive than others. As people shop for the best bargain when buying a car or furniture, they should shop for the best bargain in credit.
- Consider carefully before borrowing from finance companies. These companies often charge higher rates on loans.
- The faster a person pays off a debt, the less interest charges he or she will pay.
- Use credit only for unforeseen emergencies and for higher-cost purchases, such as furniture, cars, or houses.

While buying on credit has certain advantages, personnel also need to recognize some problems involved in using credit. The following are some of the problems you may encounter:

- Credit customers may overbuy.
- Credit customers may buy at the wrong time or place.
- Credit prices may be higher than cash prices.
- Credit ties up future income.
- Payments must be made on time.
- Because of the addition of interest charges to the price, the purchase costs more.

**CREDIT RATING.** —Most people find it advantageous to establish a good credit rating. Some people object to buying anything on credit and insist on paying for everything in cash. They save until they have the cash to make a major purchase, and they often do get better buys for cash. However, a good credit rating is like money in the bank. When people have a good credit rating, it means that they pay their bills on time. Navy personnel usually have a good credit reputation and should have no problem getting a loan or credit when needed. A good credit rating can be priceless in an emergency such as a medical crisis, fire, or death in the family.

You can establish a good credit rating by paying for time purchases according to the purchase agreement. Time purchases include items such as furniture or cars and items bought on credit card accounts. You can also establish credit by repaying a loan from a bank or a credit union according to the loan agreement. Making these payments according to their agreements means that you pay the amount agreed upon by a certain date. You can then use these companies, banks, or credit unions as credit references if you apply for credit at any future time.

**COST OF CREDIT.** —Have you ever rented a motorcycle or sailboat? You always know in advance that it will cost you so much an hour or day. The rent or cost of using the bike or boat has its base on length of use.

The rent paid for using borrowed money or credit is interest. You may sometimes have difficulty figuring interest. Some lenders and

businesses quote interest rates plus other charges in a way that conceals the actual figures behind a mask of confusing language. That results in people being unaware of the total cost of their loans or installment purchases.

When you borrow or buy something “on time,” you should keep your eyes open for extra charges. Such charges are additions to the interest charge for the use of the money. Some of these additional charges include credit life insurance, fees for credit investigations, loan-handling fees, and health and accident insurance. Often the down payment and the monthly payments are the only figures stated.

Advise your personnel to ask for the total charges in writing, including early repayment penalties and monthly rates. If they do not receive the amount in writing, they can figure it themselves. First, they should find the total amount they will pay for the loan or the purchase. They should then subtract the amount they will actually receive or the actual price of the goods from the total cost. The difference shows the total cost of credit. Taking the time to get the facts pays off.

### **Indebtedness**

The Navy expects its personnel to pay their debts in a proper and timely manner. However, enforcement of the private debts of personnel falls under the control of civil authorities. You do not have the authority to arbitrate claims or controversies about the private financial debts of your personnel. You also do not have the authority to act as an agent or collector for a creditor. Your job is to encourage your people to conduct their financial affairs in a way that reflects credit upon themselves and the Navy.

From start to final settlement, only the creditor and the debtor are responsible for the debtor's financial obligations. You may only help creditors to a limited extent when it involves one of your people. Your authority extends only to referring correspondence to persons involved and advising them to make their intentions known to the creditor. However, you do have authority to act in situations of nonpayment of legal debts by your people. In such situations, you should counsel enlisted persons about the provisions for discharge for misconduct. Follow the procedures in the *Naval Military Personnel Manual*, NAVPERS 15506, article 6210140.

Law prohibits debt collectors (collection agencies) from contacting a third party, such as a commanding officer or division officer, to help collect a debt. The only exceptions are when the collector has a court order or the prior consent of the debtor. The law defines the classes of people prohibited from contacting you. However, persons or firms collecting on their own behalf are exempt from such restrictions. You should refer correspondence from such persons or firms to the person involved.

You should courteously refuse requests to furnish information about the personal credit rating of one of your people. Navy policy limits any replies to verification of the following information:

- The person's membership in the Navy
- The person's station address
- A statement of the person's basic pay

**BE SURE YOU UNDERSTAND WHO IN YOUR COMMAND HAS THE AUTHORITY TO PROVIDE THIS INFORMATION—IT MAY NOT BE YOU.**

### **FAMILY SERVICE CENTERS**

As the leader of your enlisted personnel, you should be aware of those people and organizations who can help your people. One of those organizations is the Family Service Center (FSC).

The overall mission of FSCs is to improve the lives of Navy personnel. FSCs provide information, resources, and services that support and enrich the lives of Navy personnel and their families.

FSCs serve as the focal point for existing family and personal support and assistance programs. The purpose of the centers is not to duplicate the services provided by other Navy programs, systems, or organizations. However, they offer information and referral on a full range of family-related programs, services, and resources within the Navy and civilian communities. The centers support Navy- and command-sponsored efforts, such as the ombudsman program, wives organizations, sponsor programs, and predeployment briefings. They provide elected services that may differ from center to center.



FSCs provide referrals without assuming responsibility for services that belong to organizations already set up. Referrals include those for housing, personnel, CHAMPUS, and so forth. FSCs are not the ultimate counselors in every case. In cases requiring specialized professional counseling, the centers provide only short-term counseling. The centers make referrals to the proper agencies when personnel need long-term counseling.

### **Services and Information Available**

The services provided by various FSCs may vary from location to location. The services may vary because of the command and community makeup, as well as the needs of personnel. However, most centers provide at least some of the following services:

- Family, marriage, personal, and child counseling
- Pre/during/post deployment programs
- Employment assistance for spouses
- Preventive financial counseling
- Health benefits assistance
- Assistance with ombudsman and sponsor programs

These services are not all-inclusive. You can learn more about your FSCs by referring to local command instructions on the subject as well as OPNAVINST 1754.1A.

### **Information and Referral**

The information and referral (I&R) services of the FSC provide accurate and up-to-date directories of community resources. I&R services also set up a link to all service providers. I&R services quickly and efficiently answer questions, help in problem-solving, and conduct needs assessments. I&R services refer active-duty and retired service members and their families to appropriate military or civilian resources to get the services they need. I&R services decrease the chance of a person being misdirected, not having

needs met, or becoming lost among various agencies.

### **SUMMARY**

This chapter provides information useful to you in your continuing professional development.

The Navy's Enlisted Performance Evaluation System provides a system to document an individual's qualifications, performance, conduct, and increased responsibilities. It is the Navy's prime personnel management tool.

Many incentive programs are available for Navy personnel. The purpose of incentive programs is to attract an individual to a rewarding, enjoyable Navy career. Other considerations that often persuade an individual to select a Navy career are job security, paid vacations, travel, family protection plans, retirement, and many other incentives. Often, a combination of these factors causes a person to choose a naval career.

Education is a key to professional development and a better understanding of the world in which we live. The Navy provides personnel with the opportunity to meet their career and educational needs. Navy-sponsored programs, as well as civilian schools, are available to all Navy personnel. As a Navy member, you should take part in academic programs to increase your formal educational background and to further develop your potential for a rewarding career in the Navy.

You can provide various sources of information concerning financial management to Navy junior personnel. As a petty officer second class, you can counsel and advise your people on their personal financial management, responsibilities, and debts. You can also advise them about the different types of money management practices and the types of credit available.

Family Service Centers (FSCs) strive to improve the lives of Navy personnel and their families. FSCs provide information, resources, and services to support and enrich Navy personnel and their families.

### **REFERENCES**

*Military Requirements for Senior and Master Chief Petty Officer*, NAVEDTRA 12048, Naval Education and Training Program Management Support Activity, Pensacola, Fla., 1992.

